

## COMPACT GOAL

The Compact intends to support: (i) reforms and investments to modernize the Bureau of Internal Revenue to increase fiscal space for public investment and to reduce opportunities for corruption in tax administration; (ii) expansion and improvement of a community-driven development project, Kalahi-CIDSS; and (iii) rehabilitation of a secondary national road in Samar province.

## COMPACT AT A GLANCE

Compact Signed	09-23-2010
Entry Into Force	05-25-2011
Compact End Date	
Compact Total	\$433,910,000
Amount Committed	
Amount Expended	\$14,392,500
Estimated Program Beneficiaries	125,822,000
Estimated Increase in Household Income	\$649,300,000

## % OF TOTAL COMPACT BUDGET (USD MILLIONS)

28%	Kalahi-CIDSS Community Dev. Project	\$120.0
49%	Secondary National Roads Dev. Project	\$214.4
13%	Revenue Administration Reform Project	\$54.3
2%	Monitoring and Evaluation	\$8.2
9%	Program Administration & Control	\$36.9



■ Project Preparation ■ Project Implementation

Kalahi-CIDSS Community Development Project		PROJECT COST	TOTAL CONTRACT COMMITMENTS	TOTAL PROJECT EXPENDITURES <sup>1</sup>
		\$120,000,000	\$24,040,338	\$4,530,766
<p>Improve the responsiveness of local governments to enhance welfare in rural areas by targeting poor communities for small-scale, community-driven development projects. Empower and strengthen capacity of communities by helping them prioritize, design, and implement development projects.</p>		<div><div>YEAR 1</div><div>YEAR 2</div><div>YEAR 3</div><div>YEAR 4</div><div>YEAR 5</div></div> <div><div>Capacity Building and Implementing Support</div><div>Grants for Community Projects</div></div> <div><div>PRESENT</div></div>		
<p><b>Projected Long-Term Results</b> (Up to 20 years)</p>				
ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME			
5,215,000	\$118,100,000			
		PROJECTED RESULTS BY END OF COMPACT	PROGRESS TO DATE	PROJECT ACHIEVEMENTS
		Depending on the priorities of each community, results are expected to include: savings in transport costs, reduced post-harvest losses, time savings, decreased morbidity from waterborne diseases, and higher enrollment rates and lower dropout rates.	3,829 barangays have been selected to receive MCC grant funding through the program. Social preparation activities are underway in various Kalahi-CIDSS municipalities, including hiring and training national and regional staff, and conducting municipal consultations. Approximately 80 municipalities have signed MOUs to commit counterpart funding for the program.	

<h2>Secondary National Roads Development Project</h2> <p>Reduce transportation costs and improve access to markets and social services through the rehabilitation of an existing 222 km road segment.</p> <div><h3>Projected Long-Term Results</h3><p>(Up to 20 years)</p><table><tr><td>ESTIMATED BENEFICIARIES</td><td>ESTIMATED INCREASE IN HOUSEHOLD INCOME</td></tr><tr><td>282,000</td><td>\$205,100,000</td></tr></table></div>	ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME	282,000	\$205,100,000	<div><div>PROJECT COST</div><div>\$214,440,000</div></div>		<div><div>TOTAL CONTRACT COMMITMENTS</div><div>\$14,282,456</div></div>		<div><div>TOTAL PROJECT EXPENDITURES<sup>†</sup></div><div>\$5,023,893</div></div>	
	ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME								
	282,000	\$205,100,000								
<div><div><div>YEAR 1</div><div>YEAR 2</div><div>YEAR 3</div><div>YEAR 4</div><div>YEAR 5</div></div><div><div>Samar Road</div><div>Road Project Mgt. &amp; Supervision</div></div><div><div>PRESENT</div></div></div>										
<div><div>PROJECTED RESULTS BY END OF COMPACT</div><div>Savings in time and lower vehicle operating costs and road maintenance costs are intended to increase commerce in and between the provinces of Samar and Eastern Samar, and ultimately increase incomes.</div></div>		<div><div>PROGRESS TO DATE</div><div>Condition surveys and evaluations are completed for both roadway sections. Design work and environmental and social assessments are progressing for both sections of the roadway as well.</div></div>		<div><div>PROJECT ACHIEVEMENTS</div></div>						

<h2>Revenue Administration Reform Project</h2> <p>Address the need to raise tax revenues and reduce tax evasion and revenue agent-related corruption by increasing the efficiency and sustainability of revenue collection through a redesign and computerization of business processes.</p> <div><h3>Projected Long-Term Results</h3><p>(Up to 20 years)</p><table><tr><td>ESTIMATED BENEFICIARIES</td><td>ESTIMATED INCREASE IN HOUSEHOLD INCOME</td></tr><tr><td>125,000,000</td><td>\$160,100,000</td></tr></table></div>	ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME	125,000,000	\$160,100,000	<div><div>PROJECT COST</div><div>\$54,300,000</div></div>		<div><div>TOTAL CONTRACT COMMITMENTS</div><div>\$4,945,178</div></div>		<div><div>TOTAL PROJECT EXPENDITURES<sup>†</sup></div><div>\$228,038</div></div>	
	ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME								
	125,000,000	\$160,100,000								
<div><div><div>YEAR 1</div><div>YEAR 2</div><div>YEAR 3</div><div>YEAR 4</div><div>YEAR 5</div></div><div><div>BIR Revenue Administration Reform</div><div>Revenue Integrity Protection Services (RIPS)</div></div><div><div>PRESENT</div></div></div>										
<div><div>PROJECTED RESULTS BY END OF COMPACT</div><div>Narrow the gap between potential and actual tax collections, and improved efficiency through better public sector revenue administration and increased taxpayer compliance. Reduce the discretion of individual tax and customs collection officers.</div></div>		<div><div>PROGRESS TO DATE</div><div>Technical assistance missions, in partnership with the IMF, are ongoing to provide input and training in areas such as operations, audit, excise tax administration, tax ruling, and VAT. Procurement planning for the electronic tax information system (eTIS) is underway and the project is serving as a catalyst behind the Tax Commissioner's reform agenda.</div></div>		<div><div>PROJECT ACHIEVEMENTS</div></div>						

<sup>†</sup>Expenditures are the sum of cash outlays and quarterly accruals for work completed but not yet paid or invoiced.